

## Message Text

SECRET

PAGE 01    SAO PA 01893 211528Z  
ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 IO-13 ACDA-07 AID-05 TRSE-00 OMB-01 /087 W  
-----018187 220024Z /65

R 211445Z JUL 77  
FM AMCONSUL SAO PAULO  
TO SECSTATE WASHDC 7884  
INFO AMEMBASSY BRASILIA  
AMCONSUL RIO DE JANEIRO

S E C R E T SAO PAULO 1893

RIO DE JANEIRO PASS PBUSMC

E.O. 11652: XGDS-1  
TAGS: MASS, BR  
SUBJ: PRESS SPECULATES THAT GEISEL WILL DENOUNCE MILITARY ACCORDS  
WITH THE US

REF: BRASILIA 5993

1. BEGIN SUMMARY. VICE ADMIRAL MORAES XAVIER, HEAD OF THE  
BRASILIAN NAVAL COMMISSION, SOUND OFF ON POSSIBLE DENUNCIATION OF  
REMAINING BILATERAL MILITARY ARRANGEMENTS AND WIDESPREAD CORRUPTION  
IN THE BRAZILIAN GOVERNMENT. END SUMMARY.

2. LEAVING CEREMONY IN HONOR OF SANTOS DUMONT JULY 20, I  
STRUCK UP A CONVERSATION WITH VICE ADMIRAL NELSON AUGUSTO MORAES  
XAVIER, CHIEF OF THE NAVAL COMMISSION IN SAO PAULO, WITH WHOM  
I HAVE DEVELOPED A FRIENDLY SOCIAL RELATIONSHIP. ADMIRAL XAVIER  
HAS EVEN TOLD ME ANTI-GOVERNMENT JOKES IN THE PAST.

3. ADMIRAL XAVIER WAS INCENSED BY NEWSPAPER REPORTS THAT EMFA HAD  
DEVELOPED A STUDY OF REMAINING US/BRAZILIAN MILITARY AGREEMENTS AND  
RELATIONSHIPS AND HAD REPORTEDLY RECOMMENDED TO THE PRESIDENT THE  
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SECRET

PAGE 02    SAO PA 01893 211528Z

TERMINATION OF THE BILATERAL NAVAL AGREEMENT IN FORCE SINCE  
1922 AND APPARENTLY THE END OF JUBUSMC. ADMIRAL SAID THAT THIS WAS  
JUST LIKE THE ARMY. SOME TIME BACK, AN OFFICER ATTACHED TO THE  
BRAZILIAN ARMY ATTACHE'S OFFICE IN WASHINGTON HAD RECOMMENDED  
CLOSING DOWN THE "BRAZILIAN SECTION" AT THE PHILADELPHIA NAVY  
YARD, A SMALL GROUP OF TECHNICIANS WHICH THE BRAZILIAN NAVY FOUND  
MOST USEFUL. THE NAVY WAS SIMPLY NOT CONSULTED. OF COURSE, THE

US NAVY YARD COMMANDANT HAD ACCEPTED THE IDEA OF CLOSING OUT THE SECTION WITH ALACRITY BECAUSE IT WAS AN ADMINISTRATIVE NUISANCE. ADMIRAL XAVIER ASSUMED THAT THE BRAZILIAN ELEMENT OF JBUSMC HAD NOT BEEN CONSULATED (AND I DID NOT EXPRESS ANY KNOWLEDGE OF CONSULTATION PER PARA 2 BRASILIA 2797 AND PREVIOUS). THE ADMIRAL SAID HE WOULD BE CALLING HIS COLLEAGUE ADMIRAL JANNUZZI TO EXPRESS HIS SERIOUS PERSONAL CONCERN ABOUT POSSIBLE IMPENDING DEVELOPMENTS AND LET ME KNOW WHATEVER HE COULD. I THANKED HIM FOR HIS KINDNESS, EXPRESSING OUR CONTINUED INTEREST IN CLOSE AND TRADITIONAL COOPERATION WITH THE BRAZILIAN ARMED FORCES.

3. THE ADMIRAL WENT ON TO VENT HIS SPLEEN ABOUT CORRUPTION AT ALL RPT ALL LEVELS OF THE BRAZILIAN GOVERNMENT. HE SAID HE HAD RECENTLY GONE TO BRASILIA AND MET WITH NAVY MINISTER HENNING TO TELL HIM THAT HE SIMPLY COULD NOT CONTINUE AS HEAD OF THE NAVAL COMMISSION WITH THE CORRUPTION AND GRAFT WHICH HE ENCOUNTERED ON ALL SIDES. THE ADMIRAL, NORMALLY A QUIET, INTELLECTUAL INDIVIDUAL, BECAME QUITE AGITATED AND SAID THAT MINISTER OF JUSTICE FALCAO JUST LOOKED THE OTHER WAY AND REFUSED TO ACT. THE NATIONAL COMMISSION OF INQUIRY (CGI) SET UP SINCE THE 1964 REVOLUTION DEVELOPED CASES AND SENT THEM TO THE MINISTER BUT NO ACTION WAS TAKEN. THE ELIMINATION OF CORRUPTION HAD BEEN ONE OF THE PRINCIPAL OBJECTIVES OF THE REVOLUTION, ALONG WITH THE ELIMINATION OF SUBVERSION. IT DID NO GOOD TO HAVE SIMPLY ELIMINATED SUBVERSION BECAUSE SUBVERSION WOULD FLOURISH AGAIN WITH POPULAR REVULSION AT THE WIDE SPREAD AND ARRANT CORRUPTION.

SECRET

SECRET

PAGE 03     SAO PA 01893 211528Z

4. WHILE WE HAVE HEARD REPORTS OF WIDE SPREAD GOB CORRUPTION BEFORE FROM VARIOUS SOURCES, I HAVE NEVER HEARD IT FROM A SOURCE SO WELL PLACED OR AUTHORITATIVE.  
CHAPIN

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NNN

## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
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